

Date: February 27, 2025

**To,
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001**

**To
National Stock Exchange of India Limited
'Exchange Plaza' C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051**

SCRIP Code: 543904

Symbol: MANKIND

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Pronouncement of Order by the Hon'ble NCLT Delhi Bench sanctioning the of Scheme of Arrangement for Amalgamation

Dear Sir(s)/ Madam(s),

In continuation of our earlier intimation dated April 10, 2024 this is to inform you that the Hon'ble National Company Law Tribunal, New Delhi Bench ('NCLT'), has approved the Scheme of Arrangement for Amalgamation of Shree Jee Laboratory Private Limited ("Transferor Company 1"), JPR Labs Private Limited ("Transferor Company 2") and Jaspack Industries Private Limited ("Transferor Company 3") with Mankind Pharma Limited ("Transferee Company"/ "the Company") and their respective shareholders and creditors ("Scheme"/ "Scheme of Arrangement"), under Sections 230 and 232 of the Companies Act, 2013 read with rules framed thereunder. The Appointed Date for the approved Scheme of Arrangement is April 01, 2024.

The said order pronounced on February 25, 2025, is now available on the website of Hon'ble NCLT viz. <https://nclt.gov.in/>, as of today i.e. February 27, 2025 (enclosed herewith as Annexure). However, a certified copy of the same is awaited.

The Scheme shall become effective upon filing of the certified copy of the order passed by the Hon'ble NCLT by all the companies with the Registrar of Companies. The transferor companies shall stand dissolved without winding up once the certified copy of the order is filed with the Registrar of Companies.

Any further information in this connection will be submitted with the Exchanges in due course.

Thanking you,
Yours faithfully,
For **Mankind Pharma Limited**

Hitesh Kumar Jain
Company Secretary and Compliance Officer

Enclosure: as above

MANKIND PHARMA LIMITED

Regd. Office : 208, Okhla Ind. Estate, Phase - 3, New Delhi-110020 • Ph. : 011-46846700, 47476600
CIN No. L74899DL1991 PLC044843 • E-mail : contact@mankindpharma.com • www.mankindpharma.com



IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT – IV

COMPANY PETITION (CAA) NO. 33 OF 2024
CONNECTED WITH
COMPANY APPLICATION (CAA) NO. 21 OF 2024

An Application under Sections 230-232 of the Companies Act, 2013 and read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

IN THE MATTER OF:

Shree Jee Laboratory Private Limited

...Transferor Company No. 1/Petitioner Company No. 1

And

JPR Labs Private Limited

...Transferor Company No. 2/ Petitioner Company No. 2

And

Jaspack Industries Private Limited

...Transferor Company No. 3/ Petitioner Company No. 3

With

Mankind Pharma Limited

...Transferee Company/ Petitioner Company No. 4

Order Delivered on: 25.02.2025

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,
HON'BLE MEMBER (JUDICIAL)

DR. SANJEEV RANJAN,
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Adv. S. Shiva, Adv. Suman Kumar Jha, Adv.
Rishabh Singh

For the RD : Adv. Manshi

For the IT Department : Sr. Adv. Anurag Ojha, Adv. Hemlata Rawat,



Adv. V.K. Saxena, Adv. Rahul Bhat,
Adv. Abhay Singh

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. This is an second motion petition jointly filed by the petitioner companies herein, M/s Shree Jee Laboratory Private Limited (hereinafter referred to as Transferor Company No. 1/Petitioner Company No. 1), M/s JPR Labs Private Limited (hereinafter referred to as Transferor Company No. 2/ Petitioner Company No. 2), M/s Jaspack Industries Private Limited (hereinafter referred to as Transferor Company No. 3/ Petitioner Company No. 3), and M/s Mankind Pharma Limited (hereinafter referred to as Transferee Company/Petitioner Company No. 4) and their respective shareholders and creditors jointly under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed between the Petitioners.
2. The Transferor Company No. 1/Petitioner Company No. 1 i.e., M/s Shree Jee Laboratory Private Limited is a private limited company which was incorporated on 05.10.2011, under the provisions of the Companies Act, 1956 bearing CIN: U24232DL2011PTC272907, having its registered office at 208, Okhla Industrial Estate, Phase-III, New Delhi- 110020. The Transferor Company No. 1 is involved in the business of manufacturing of active pharmaceutical ingredients. The



Authorized Share Capital of the Transferor Company No. 1/ Petitioner Company No. 1 is Rs. 140,50,00,000 divided into 14,05,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Capital is Rs. 140,49,87,300 divided into 14,04,98,730 Equity Shares of Rs. 10/- each fully paid up.

3. The Transferor Company No. 2/Petitioner Company No. 2 i.e., M/s JPR Labs Private Limited is a private limited company which was incorporated on 5th July, 2010, under the provisions of the Companies Act, 1956 bearing CIN: U24232DL2010PTC365041, having its registered office at 208, Okhla Industrial Estate, Phase-III, New Delhi-110020. The Transferor Company No. 2 is engaged in the business of manufacturing of active pharmaceutical ingredients. The Authorized Share Capital of the Transferor Company No. 2/Petitioner Company No. 2 is Rs. 18,27,60,000/- divided into 1,82,76,000 Equity Shares of Rs. 10/- each; Rs. 42,72,40,000 divided into 4,27,24,000, 0.01% Optionally Convertible Non- Cumulative Redeemable Preference Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Capital is Rs. 17,47,39,400/- divided into 1,74,73,940 Equity Shares of Rs. 10/- each fully paid up; Rs. 32,21,88,600 divided into 3,22,18,860, 0.01% Optionally Convertible Non- Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up.

4. The Transferor Company No. 3/Petitioner Company No. 3 i.e., M/s Jaspac Industries Private Limited is a private limited company was incorporated on 16th March, 2015, under the provisions of the Companies Act, 2013 bearing CIN: U36912DL2015PTC277915, having



its registered office at 208, Okhla Industrial Estate, Phase-III, New Delhi- 110020. The Authorized Share Capital of the Transferor Company No. 3/ Petitioner Company No. 3 is Rs. 9,01,00,000 divided into 90,10,000 Equity Shares of Rs. 10/- each; Rs. 151,00,00,000/- divided into 15,10,00,000, 0.01% Optionally Convertible 151,00,00,000 Non-Cumulative Redeemable Preference Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up Capital is Rs. 9,01,00,000 divided into 90,10,000 Equity Shares of Rs. 10/- each fully paid up; Rs. 147,01,00,000 divided into 14,70,10,000, 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up.

5. The Transferee Company/Petitioner Company No. 4 i.e., M/s Mankind Pharma Limited was incorporated on 3rd July, 1991, under the provisions of the Companies Act, 1956 bearing CIN: L74899DL1991PLC044843, having its registered office at 208, Okhla Industrial Estate, Phase-III, New Delhi- 110020. The Transferee Company is a listed company having its shares listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The Transferee Company is principally engaged in the manufacturing and trading of pharmaceutical and healthcare products. The Authorized Share Capital of the Transferee Company is Rs. 41,35,00,000/- divided into 41,35,00,000 Equity Shares of Re. 1/- each. The Issued, Subscribed and Paid-up Capital is Rs. 40,05,88,440 divided into 40,05,88,440 Equity Shares of Re. 1/- each fully paid up.



6. The Petitioner Companies submits that the Petitioner Company No. 1, 2 and 3 is a wholly owned subsidiaries of the Transferee Company/ Petitioner Company No. 4 as entire share capital of Petitioner Company No. 1, 2 and 3 are held by Petitioner Company No. 4/Transferee Company.
7. The Ld. Counsel for the Petitioner Companies submits that the rationale for the scheme of Amalgamation between the Petitioner Companies are as follows:
 - i. The Transferor Companies are wholly owned subsidiaries of Transferee Company. Hence, the proposed amalgamation of entities involved in similar business would result in consolidation of wholly owned subsidiaries with its parent company and pooling of their resources into a single entity.
 - ii. The Transferee Company is the flagship company of the group, the amalgamation will enable the Transferee Company to integrate its business operations and provide impetus to the operation of the Transferee Company. The consolidation of the activities by way of an amalgamation will provide seamless access to the assets of the Transferor Companies, which will lead to operational rationalization, organizational efficiency competitive advantage and optimal utilization of resources eventually enhancing the growth and reputation of the group.
 - iii. The independent operations of the Transferor Companies and Transferee Company lead to incurrence of significant costs, duplication of administrative & establishment costs. The



proposed amalgamation would enable economies of scale by attaining critical mass, achieving cost saving and better financial management of resources. The amalgamation will eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities.

- iv. The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues and service range.
8. The Appointed date as specified in the Scheme is 1st April, 2024 or such other date as may be approved by the Tribunal.
 9. From the record, it is seen that the First Motion joint application seeking direction for dispensation/convening the meeting of Shareholders, Secured Creditors and Unsecured Creditors was filed before this Tribunal vide CA(CAA)21/ND/2024. This Tribunal vide order dated 09.04.2024 (pronounced order) has passed the following directions: -
 - i. The meeting of Equity Shareholders and Preference Shareholders of the Petitioner Companies were dispensed with.
 - ii. The meeting of Unsecured Creditors of the Petitioner Companies was dispensed with.
 - iii. The meeting of Secured Creditors of the Petitioner Company No. 2 and 4 were dispensed with.



- iv. There were nil Secured Creditors of the Petitioner Company No. 1 and 3 therefore, the requirement for convening a meeting did not rise.
10. In the present second petition, vide order dated 14.05.2024 passed by this Tribunal, the Tribunal directed the Petitioner Companies to published notice of the hearing of the main Company Petition in two newspapers namely, “Business Standard” (English Delhi Edition) and “Jansatta” (Hindi Delhi Edition) and in addition to the public notice, directed to issue notices to the (a) Central Government through Regional Director (Northern Region), Ministry of Corporate Affairs, Income Tax Department, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and to such other sectoral regulators or authorities.
11. In compliance with the order dated 14.05.2024, the petitioner companies have filed an Affidavit of compliance on 10.06.2024 affirming and disclosing that the applicants have effected publication in “Business Standard” (English, Delhi Edition) and “Jansatta” (Hindi Delhi Edition) both dated on 07.06.2024. In addition to the public notice, notices were served on the Regional Director (Northern Region), Official Liquidator, the Income Tax Department, Registrar of Companies, NCT of Delhi and Haryana, Official Liquidator, SEBI, BSE and NSE.
12. Pursuant to the notice issued, the Regional Director, Income Tax Department and Official Liquidator they have filed their response/reply in the matter.



13. The Regional Director (RD) in its report affidavit dated 08.07.2024 has made certain observations regarding the proposed scheme of Amalgamation among the Petitioner Companies. In response to the same, the Petitioner Companies had filed reply dated 10.08.2024 wherein the Petitioner Companies gave clarification to the observations made by the Regional Director. The details of the same are given below:

Observation	Observation by the Regional Director vide affidavit dated 08.07.2024	Reply by the Petitioner Companies dated 10.08.2024
1.	"As per audited financial statement of the Transferor Companies for the F.Y.2022-23, it is seen that Transferor Companies are subsidiaries of the Transferee Company. However, e-form MGT-6 not filed in this regard.	The Deponent submits that the Transferor Company 2/ Petitioner Company 2 has already filed the required Form MGT-6 with the Registrar of Companies on 11.03.2018 vide SRN No. G79022596.
2.	As per audited financial statement of the Transferor Company 2, as per annexure I of auditor's report, auditor has stated that the quarterly returns/statements filed by the company with banks in respect of sanctioned working capital limits, are not in agreement with the audited books of accounts of the company and the details are given in table provided therein.	That the deponent submits that the difference between the balances as per the audited books of accounts and the quarterly returns/statements filed with the bank are on account of entries posted in routine books closure process, which is normally concluded post filing of statements with the banks. This observation of the Regional Director is factual in nature and does not have any impact on the classification of loan or any debt covenants. The above fact has also been recorded in the auditor's report.



3.	As per audited financial statement of the Transferor Company 2, as per annexure I of auditor's report, auditor has mentioned statements of arrears of statutory dues outstanding more than six months amounting Rs. 2.78 lacs.	<p>i. The Deponent on behalf of Transferor Company 2 submits that, the arrears of statutory dues were on account of technical difficulties faced by the Petitioner Company 2 in view of the Employees Provident Fund Organisation (EPFO) mandating the linkage of Aadhaar numbers, Employee Names, Fathers' Name and Dates of Birth with the Universal Account Number (UAN) issued by EPFO. This requirement of EPFO led to delays in the deposit of PF amounts into employee accounts, as the contributions made by the Petitioner Company 2 were rejected by the EPFO authorities because of discrepancies in the personal details of several employees.</p> <p>ii. The Deponent on behalf of Transferor Company 2 submits that the Petitioner Company 2 has paid majority of the outstanding statutory dues and the current outstanding amount stands at only Rs. 16,346/-</p>
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		<p>iii. The Deponent on behalf of Transferor Company 2 submits that Upon the Scheme becoming effective, the Transferor Company 2 shall stand transferred to the Transferee Company as a going concern including its employees and the Transferee Company shall inter alia discharge its obligations towards payment of statutory dues in respect of the Transferor Company 2.</p>
4.	<p>As per audited financial statement of the Transferee Company for the F.Y.2022-23, auditor has mentioned emphasis of matter regarding a search under section 132 of the Income Tax Act, 1961 conducted by the Income Tax Department on the registered office, corporate office and few of manufacturing locations of the company and other premises and few of its group entities and residences of its employees/ KMPs.</p>	<p>i. That in respect of the observation of the Regional Director regarding search under Section 132 of the Income Tax Act, 1961 (IT Act) conducted by the Income Tax Department, the Deponent submits that consequent to the search, the Department had issued notices under Section 148 of the IT Act to the Transferee Company as well as to few of its group entities to furnish Income Tax Returns (ITR). The Transferee Company as well as such group entities in response to such notices, have furnished the requisite ITR/computation of income, as applicable. Subsequently, the Transferee Company and</p>



		<p>such group entities had received notices under Section 143(2)1142(1) of the IT Act requiring the Transferee Company and such group entities to submit certain documents/information in response thereto for the Assessment Years for which notices have been issued. The Transferee Company and such group entities are in the process of complying with said notices.</p> <p>ii. The Deponent on behalf of the Transferee Company submits that, upon the Scheme becoming effective, any tax liabilities, pendency of rectification and refund, demands, proceedings, appeals, assessments etc. existing or pending in respect of the Transferor Companies regarding search under Section 132 of the IT Act shall stand transferred to the Transferee Company; and; upon the Scheme becoming effective, the Transferee Company shall inter alia discharge its obligations towards payment of tax liabilities in respect of the Transferor Companies, without</p>
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		prejudice to the rights, relief and remedies available under law.
5.	As per audited financial statement of the Transferee Company for the F.Y.2022-23, company has granted loans and advances amounting Rs. 9,700.90 lacs. In this regard company may ensure compliance of provisions of section 185 and 186 of the Companies Act, 2013.	That in response to observation regarding compliance of the provisions of Section 185 and 186 of the Companies Act, 2013, the Deponent submits that the Transferee Company is in compliance with and shall continue to ensure compliance of the provisions of Section 185 and 186 of the Companies Act, 2013 as may be required.
6.	As per annexure I of the auditor's report to the audited financial statement of the Transferee Company for the F.Y.2022-23, auditor has mentioned statements of arrears of undisputed statutory dues outstanding more than six months amounting Rs. 175.4 lacs.	A. The Deponent on behalf of Transferee Company submits that, the arrears of statutory dues were on account of technical difficulties faced by the Petitioner Company 4 in view of the Employees Provident Fund Organisation (EPFO) mandating the linkage of Aadhaar numbers, Employee Names, Fathers' Name and Dates of Birth with the Universal Account Number (UAN) issued by EPFO. This requirement of EPFO led to delays in the deposit of PF amounts into employee accounts, as the contributions made by the Petitioner Company 4 were rejected by the EPFO authorities because of discrepancies in the personal details of several employees.



		<p>B. The Deponent on behalf of Transferee Company submits that the Petitioner Company 4 has paid majority of the outstanding statutory dues and the current outstanding amount stands at Rs. 3.81/- lacs.</p>
7.	<p>Refer to clause 2 (2.2) of Part III of the scheme, the Transferee company may kindly be directed to comply with the provision of section 232(3)(i) of the Companies Act, 2013 in regard to fee payable on its revised authorized share capital, if applicable."</p>	<p>a. That in respect of observation relating to fee payable on revised authorized. share capital, it is submitted that in view of the provisions of the Clause 2(2.2) of Part III of the Scheme, the Transferee Company/Petitioner Company No. 4 shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 in regard to the fee payable on its revised authorized share capital, if applicable.</p> <p>b. That the compliance of the aforesaid provision of Section 232(3)(i) by the Transferee Company I Petitioner Company 4 is only required to be made subsequent to the sanction of the Scheme of Arrangement by the Hon'ble Tribunal and not: prior to such sanction, which is per se evident from the provisions of Section 232 itself. "The said provision is reproduced below for ready reference:</p> <p>"Section 232. Merger and amalgamation of companies</p> <p>(1)</p> <p>(2)</p> <p>(3) The Tribunal, after satisfying itself that the procedure specified in sub-sections (1) and (2) has been complied</p>



		<p>with, may, by order, sanction the compromise or arrangement or by a subsequent order, make provision for the following matters, namely: -</p> <p>(a)</p> <p>....</p> <p>(i) where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation; and</p> <p>.....”</p> <p style="text-align: right;">(Emphasis supplied)</p> <p>Thus, the Transferee Company/ Petitioner Company 4 shall be required to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 only subsequent to the sanction of Scheme of Arrangement for Amalgamation by this Hon'ble Tribunal; and; the fee and duty paid on the Authorized Share Capital of the Transferor Companies shall be set off against the fee payable on the Authorized Share Capital of the Transferee Company, if any.</p>
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14. Thus, the Petitioner Companies duly replied to queries raised by the Regional Director and vide order dated 10.12.2024, the Regional Director had appeared and submitted that they have no further observations.



15. The Income Tax Department in its report dated 05.07.2024 with respect to the Transferor Company No. 1/Petitioner Company No. 1 stated that which is reproduced hereunder: -

3.	That with respect to SHREE JEE LABORATORY PTIVATE LTD [PAN: AAQCS4413C] it is submitted as follows:
a.	Details of total demand outstanding against the company are as follows: - NIL demand pending
b.	Details of Scrutiny Proceedings pending against the Company are as follows: - As per ITBA/e-filing data base, scrutiny proceedings for A.Y 2018-19, 2020-21, 2021-22, 2022-23 & 2023-24 are pending.

16. The Income Tax Department in its report dated 12.09.2024 with respect to the Transferor Company No. 2/Petitioner Company No. 2 stated that which is reproduced hereunder:-

3.	That with respect to JPR LABS PVT LTD [PAN: AAICA6799D] it is submitted as follows:
a.	Details of total demand outstanding against the company are as follows: - NIL demand pending
b.	Details of Scrutiny Proceedings pending against the Company are as follows: - As per ITBA/e-filing data base, scrutiny proceedings for A.Y 2020-21, 2021-22, 2022-23 & 2023-24 are pending.

17. The Income Tax Department in its report dated 12.09.2024 with respect to the Transferor Company No. 3/Petitioner Company No. 3 stated that which is reproduced hereunder: -



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3. That with respect to **M/s JSPACK INDUSTRIES PRIVATE LTD** [PAN: AADCJ4839N] it is submitted as follows:

- a. Details of total demand outstanding against the company are as follows: - NIL demand pending
- b. Details of Scrutiny Proceedings pending against the Company are as follows: - As per ITBA/e-filing data base, scrutiny proceedings for A.Y 2020-21, 2021-22, 2022-23 & 2023-24 are pending.

18. The Income Tax Department in its report dated 12.09.2024 with respect to the Transferee Company/Petitioner Company No. 4 stated that which is reproduced hereunder: -

a. Details of total demand outstanding against the company are as follows: -

S.No	A.Y	Demand section	Date of order	Demand outstanding
1	2018-19	143(3)	28.07.2022	18,75,86,980
2	2019-20	154	27.02.2024	16,69,35,620
3	2020-21	154	08.01.2024	30,54,82,830
4	2021-22	154	23.08.2022	3,97,910
5	2023-24	154	05.07.2024	44,25,47,470

b. Details of Scrutiny Proceedings pending against the Company are as follows: - As per ITBA/e-filing data base, scrutiny proceedings for A.Y 2014-15 to 2023-24 are pending.

19. During the course of proceedings dated 10.12.2024, the Income Tax Department had appeared and submitted that they have no objection subject to filing compliance affidavit by the Applicant.

20. The Petitioner Company No. 1, 2 and 3 have filed a rejoinder affidavit dated 10.08.2024 affirming that upon the Scheme becoming effective, any tax liabilities, pendency of rectification and refund, demands, proceedings, appeals, assessments etc., existing or pending in respect of the Transferor Company No. 1 shall stand transferred to the Transferee Company; and; upon the Scheme becoming effective, the



Transferee Company shall inter alia discharge its obligations towards payment of tax liabilities in respect of the Transferor Company No. 1, without prejudice to the rights, relief and remedies available under law.

21. The Transferee Company/Petitioner Company No. 4 in its rejoinder affidavit dated 10.08.2024 affirming that pursuant to the Scheme of Arrangement for Amalgamation, the Transferee Company/Petitioner Company No. 4 would continue to exist as a going concern, and that, the Income Tax Department would not be prejudiced in any manner whatsoever. Further upon the Scheme becoming effective, any tax liabilities, pendency of rectification and refund, demands, proceedings, appeals, assessments etc. existing or pending in respect of the Transferor Companies shall stand transferred to the Transferee Company; and; upon the Scheme becoming effective, the Transferee Company shall inter alia discharge its obligations towards payment of tax liabilities in respect of the Transferor Companies, without prejudice to the rights, relief and remedies available under law.

22. The Official Liquidator in its report dated 02.07.2024 wherein it is stated that on the basis of information submitted by the Petitioner Companies is of the view that the affairs of the aforesaid Transferor Companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest in terms of the provisions of the Companies Act, 2013. Further, during the course of proceedings dated 10.12.2024, the Official Liquidator had appeared and submitted that the Official Liquidator has no objection,



if the present application filed under Section 230-232 of the Companies Act, 2013 stands allowed.

23. The Petitioner Companies have annexed the Certificate issued by the respective Statutory Auditors confirming that the accounting treatment in the Scheme is in conformity with the Companies (Accounting Standard) Rules, 2016 prescribed by the Central Government under Section 133 of the Companies Act, 2013.
24. The Petitioner Companies in its affidavit dated 25.01.2024 which were annexed with the first motion application i.e., CA(CAA) 21/ND/2024 wherein it is confirming that there is no material investigation or proceeding pending against the Applicant Companies under any law for the time being in force. Further, the Petitioner Companies submitted that in the event there is any investigation or proceeding initiated against the Transferor Company 1/Petitioner Company 1, Transferor Company 2/Petitioner Company 2 and/or Transferor Company 3/Petitioner Company 3 before the effectiveness of this Scheme, the same shall be transferred to the Transferee Company/Petitioner Company 4 upon effectiveness of the Scheme of Arrangement.
25. The Petitioner Companies in its affidavit dated 10.06.2024 confirming that the applicant companies have not received any complaint/objection against the proposed Scheme of Arrangement for Amalgamation from any person/party/stakeholder interested in the Scheme in any manner till the date of filing of this affidavit.



26. In first motion application, the Petitioner Companies have filed an affidavit dated 25.01.2024 confirming that there is no material investigation or proceeding pending against the Applicant Companies under any law for the time being in force. If there exists/arises any legal or other proceeding by/against the Applicant Companies on/from the date of execution of this affidavit, the same shall be continued, prosecuted and enforced against the Transferee Company/ Applicant Company No. 4 pursuant to the abovementioned Scheme.

27. The Petitioner Companies also submitted that the report/observation/NOC of the SEBI and Stock Exchanges is not required in view of the provisions of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20.06.2023 provides that the provisions of the master circular shall not apply to schemes which solely provide for merger of a wholly owned subsidiary or its division with the parent company. However, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. In view of the requirement of this Master Circular, the draft Scheme has been filed with BSE and NSE on 10th November, 2023 and 13th November, 2023 respectively. The copy of SEBI Master Circular, screenshot of the website of BSE and NSE evidencing filing or the Scheme were annexed and marked as Annexure A-32 (Colly) to the CA (CAA) No. 21/ND/2024.

28. The shareholders of the petitioner companies are the best judges of their interest, being fully conversant with market trends. Therefore,



their decisions are not supposed to be interfered with by the Tribunal for the reason that it is not proper on the part of the judicial function of the Tribunal to examine and evaluate entrepreneurial activities and their commercial decisions. It is well settled that the Tribunal evaluating the Scheme, of which sanction is sought under Section 230-232 of the Companies Act of 2013, will do not ordinarily go into the merits of the corporate decisions of companies as approved by their respective shareholders and creditors.

29. It has also been affirmed in the petition that the Scheme is in the interest of the Petitioner Companies including their shareholders, creditors, employees and all concerned. In view of the foregoing, upon considering the approval accorded by the members and creditors of the Petitioner companies to the proposed Scheme, there appears to be no impediment in sanctioning the present Scheme.
30. Consequently, sanction is hereby granted to the Scheme under Section 230 to 232 of the Companies Act, 2013 with the following directions: -
- i. The Petitioners shall always remain bound to comply with the statutory requirements in accordance with law.
 - ii. Notwithstanding the sanction, if there is any deficiency found or, violation committed, qua any enactment, statutory rule or regulation, the sanction granted by this court to the scheme will not come in the way of action being taken in accordance with the law, against the concerned persons, directors and officials of the petitioners.



- iii. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges if any, and payment in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

31. This Tribunal further directs with respect to the Transferor Companies and the Transferee Company, that: -

- i. Upon the sanction becoming effective from the appointed date i.e., 01.04.2024 as provided in the Scheme, the Transferor Companies shall stand dissolved without undergoing the process of winding up.
- ii. All contracts of the Transferor Companies which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obliged thereto;
- iii. All the employees of the Transferor Companies shall be deemed to have become the employees and the staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on the terms and conditions no less favorable than those on which they are engaged by the Transferor Companies,



as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits;

- iv. All liabilities of the Transferor Companies, shall, pursuant to the provisions of section 232(4) and other applicable provisions of the Companies Act, 2013, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations etc. as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such liabilities.
- v. All proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company.
- vi. Any person interested or affected shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

32. Further, the Petitioner Companies shall within thirty days of the date of the receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Companies on the file kept by him in relation



to the Transferee Company and the files relating to all the Petitioner Companies shall be consolidated accordingly.

33. In compliance with the requirement of Section 232 (7) of the Act, the Transferee Company shall until the full implementation of the Scheme of Amalgamation shall file a statement every year in the Form CAA 8 along with the required fees with the Registrar of Companies as prescribed in the Companies (Registration offices and fees) Rules 2014 within 210 days from the end of each financial year.
34. The petition stands allowed on the above terms.
35. Let copy of the order be served to the parties.

Sd/-

**DR. SANJEEV RANJAN
MEMBER (TECHNICAL)**

Sd/-

**MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)**